

# Required Core Curriculum Effective January 1, 2008

## KY ASSOCIATE REAL PROPERTY APPRAISER CREDENTIAL

BASIC APPRAISAL PRINCIPLES	30 HOURS
BASIC APPRAISAL PROCEDURES	30 HOURS
BASIC INCOME PROPERTY APPRAISING (KREAB Requirement)	15 HOURS
THE 15-HOUR NATIONAL USPAP COURSE OR ITS EQUIVALENT	15 HOURS
TRAINEE EDUCATION REQUIREMENTS 75 HOURS	90 HOURS

## KY LICENSED RESIDENTIAL REAL PROPERTY APPRAISER CREDENTIAL

BASIC APPRAISAL PRINCIPLES	30 HOURS
BASIC APPRAISAL PROCEDURES	30 HOURS
THE 15-HOUR NATIONAL USPAP COURSE OR ITS EQUIVALENT	15 HOURS
RESIDENTIAL MARKET ANALYSIS AND HIGHEST AND BEST USE	15 HOURS
RESIDENTIAL APPRAISER SITE VALUATION AND COST APPROACH	15 HOURS
RESIDENTIAL SALES COMPARISON AND INCOME APPROACHES	30 HOURS
BASIC INCOME PROPERTY APPRAISING	15 HOURS
RESIDENTIAL REPORT WRITING AND CASE STUDIES	15 HOURS
STATISTICS, MODELING AND FINANCE	15 HOURS
ADVANCED RESIDENTIAL APPLICATIONS AND CASE STUDIES	15 HOURS
LICENSED EDUCATION REQUIREMENTS	195 HOURS

## KY CERTIFIED RESIDENTIAL REAL PROPERTY APPRAISER CREDENTIAL

BASIC APPRAISAL PRINCIPLES	30 HOURS
BASIC APPRAISAL PROCEDURES	30 HOURS
THE 15-HOUR NATIONAL USPAP COURSE OR ITS EQUIVALENT	15 HOURS
RESIDENTIAL MARKET ANALYSIS AND HIGHEST AND BEST USE	15 HOURS
RESIDENTIAL APPRAISER SITE VALUATION AND COST APPROACH	15 HOURS
RESIDENTIAL SALES COMPARISON AND INCOME APPROACHES	30 HOURS
BASIC INCOME PROPERTY APPRAISING	15 HOURS
RESIDENTIAL REPORT WRITING AND CASE STUDIES	15 HOURS
STATISTICS, MODELING AND FINANCE	15 HOURS
ADVANCED RESIDENTIAL APPLICATIONS AND CASE STUDIES	15 HOURS
APPRAISAL SUBJECT MATTER ELECTIVES	20 HOURS
(May include hours over minimum shown above in other modules)	
CERTIFIED RESIDENTIAL	215 HOURS

## KY CERTIFIED GENERAL REAL PROPERTY APPRAISER CREDENTIAL

BASIC APPRAISAL PRINCIPLES	30 HOURS
BASIC APPRAISAL PROCEDURES	30 HOURS
THE 15-HOUR NATIONAL USPAP COURSE OR ITS EQUIVALENT	15 HOURS
GENERAL APPRAISER MARKET ANALYSIS AND HIGHEST AND BEST USE	30 HOURS
STATISTICS, MODELING AND FINANCE	15 HOURS
GENERAL APPRAISER SALES COMPARISON APPROACH	30 HOURS
GENERAL APPRAISER SITE VALUATION AND COST APPROACH	30 HOURS
GENERAL APPRAISER INCOME APPROACH	60 HOURS
GENERAL APPRAISER REPORT WRITING AND CASE STUDIES	30 HOURS
APPRAISAL SUBJECT MATTER ELECTIVES	30 HOURS
(May include hours over minimum shown above in other modules)	
CERTIFIED GENERAL	300 HOURS

NOTES: 1) The total hours for each of the topic areas for each credential listed above must be satisfied. There is no specific time allotment required for the individual subtopics, but the KREAB requires that each item of every subtopic listed contain a time allowance that will permit student knowledge mastery of each subtopic in the class content. 2) Prior to offering any course for qualifying education, or advertising that a course is approved by the KREAB, education providers must apply for the course using only the KREAB application and receive written approval from the Board. 3) The KREAB may direct staff to review course submissions and recommend approval or denial. The Board may also, at its discretion, utilize the "Course Approval Program" of the Appraiser Qualifications Board for course review and approval decisions.

#### BASIC APPRAISAL PRINCIPLES - 30 HOURS

- A. Real Property Concepts and Characteristics
  - 1. Basic Real Property Concepts
  - 2. Real Property Characteristics
  - 3. Legal Description
- B. Legal Consideration
  - 1. Forms of Ownership
  - 2. Public and Private Controls
  - 3. Real Estate Contracts
  - 4. Leases
- C. Influences on Real Estate Values
  - 1. Governmental
  - 2. Economic
  - 3. Social
  - 4. Environmental, Geographic and Physical
- D. Types of Value
  - 1. Market Value
  - 2. Other Value Types
- E. Economic Principles
  - 1. Classical Economic Principles
  - 2. Application and Illustrations of the Economic Principles
- F. Overview of Real Estate Markets and Analysis
  - 1. Market Fundamentals, Characteristics, and Definitions
  - 2. Supply Analysis
  - 3. Demand Analysis
  - 4. Use of Market Analysis
- G. Ethics and How They Apply in Appraisal Theory and Practice

#### BASIC APPRAISAL PROCEDURES - 30 HOURS

- A. Overview of Approaches to Value
- B. Valuation Procedures
  - 1. Defining the Problem
  - 2. Collecting and Selecting Data
  - 3. Analyzing
  - 4. Reconciling and Final Value Opinion
  - 5. Communicating the Appraisal
- C. Property Description
  - 1. Geographic Characteristics of the Land/Site
  - 2. Geologic Characteristics of the Land/Site
  - 3. Location and Neighborhood Characteristics
  - 4. Land/Site Considerations for Highest and Best Use
  - 5. Improvements - Architectural Styles and Types of Construction
  - 6. Residential Applications

#### BASIC INCOME PROPERTY APPRAISING – 15 HOURS

- A. Valuation Principles and the Appraisal Framework Applied to Income Properties
  - 1. Peculiarities of Income-Producing Properties for Appraisal Purposes
  - 2. Applicability of Valuation Principles to Income-Producing Properties
  - 3. The Appraisal Framework
- B. The Framework of Income Capitalization
  - 1. Rationale of Income Capitalization Analysis
  - 2. Nature of Capitalization
  - 3. Steps in the Income Capitalization Process
  - 4. Summary of Capitalizing Net Income to a Value Estimate
- C. Discounting and Compound Interest
  - 1. Discounting Process
  - 2. Compound Interest
  - 3. Use of Compound Interest and Discount Factor Tables (Six Functional of Dollar)
- D. Income Estimation and Forecasting
  - 1. Basic Guidelines to Income Forecasting
  - 2. Gross Income Estimation
  - 3. Net Income
- E. Rates of Capitalization and Rates of Return
  - 1. Rates of Capitalization
  - 2. General Characteristics of Rates Used in Appraising Income Properties
- F. Derivation of Overall Rates and Discount Rates
  - 1. Estimation of Overall Rates
  - 2. Estimation of Discount Rates
  - 3. Selection of Method(s) of Rate Estimation
- G. Final Value estimation and Income Property Report Writing
  - 1. Arriving at the Final Value Estimate
  - 2. The Appraisal Report

#### THE 15-HOUR NATIONAL USPAP COURSE OR ITS' EQUIVALENT -15 HOURS

- A. Preamble and Ethics Rules
- B. Standard 1
- C. Standard 2
- D. Standards 3 to 10
- E. Statements and Advisory Opinions

#### RESIDENTIAL MARKET ANALYSIS AND HIGHEST AND BEST USE - 15 HOURS

- A. Residential Markets and Analysis
  - 1. Market Fundamentals, Characteristics and Definitions
  - 2. Supply Analysis
  - 3. Demand Analysis
  - 4. Use of Market Analysis
- B. Highest and Best Use
  - 1. Test Constraints
  - 2. Application of Highest and Best Use
  - 3. Special Considerations
  - 4. Market Analysis
  - 5. Case Studies

#### RESIDENTIAL APPRAISER SITE VALUATION AND COST APPROACH -15 HOURS

- A. Site Valuation
  - 1. Methods
  - 2. Case Studies
- B. Cost Approach
  - 1. Concepts and Definitions
  - 2. Replacement/Reproduction Cost New
  - 3. Accrued Depreciation
  - 4. Methods of Estimating Accrued Depreciation
  - 5. Case Studies

#### RESIDENTIAL SALES COMPARISON AND INCOME APPROACHES - 30 HOURS

- A. Valuation Principles & Procedures – Sales Comparison Approach
- B. Valuation Principles & Procedures - Income Approach
- C. Finance and Cash Equivalency
- D. Financial Calculator Introduction
- E. Identification, Derivation and Measurement of Adjustments
- F. Gross Rent Multipliers
- G. Partial Interests
- H. Reconciliation
- I. Case Studies and Applications

#### RESIDENTIAL REPORT WRITING AND CASE STUDIES -15 HOURS

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Form Reports
- D. Report Options and USPAP Compliance
- E. Case Studies

#### STATISTICS, MODELING AND FINANCE -15 HOURS

- A. Statistics
- B. Valuation Models (AVM's and Mass Appraisal)
- C. Real Estate Finance

#### GENERAL APPRAISER MARKET ANALYSIS AND HIGHEST AND BEST USE - 30 HOURS

- A. Real Estate Markets and Analysis
  - 1. Market Fundamentals, Characteristics and Definitions
  - 2. Supply Analysis
  - 3. Demand Analysis
  - 4. Use of Market Analysis
- B. Highest and Best Use
  - 1. Test Constraints
  - 2. Application of Highest and Best Use
  - 3. Special Considerations
  - 4. Market Analysis
  - 5. Case Studies

#### GENERAL APPRAISER SALES COMPARISON APPROACH - 30 HOURS

- A. Value Principles
- B. Procedures
- C. Identification and Measurement of Adjustments
- D. Reconciliation
- E. Case Studies

GENERAL APPRAISER SITE VALUATION AND COST APPROACH - 30 HOURS

- A. Site Valuation
  - 1. Methods
  - 2. Case Studies
- B. Cost Approach
  - 1. Concepts and Definitions
  - 2. Replacement/Reproduction Cost New
  - 3. Accrued Depreciation
  - 4. Methods of Estimating Accrued Depreciation
  - 5. Case Studies

GENERAL APPRAISER INCOME APPROACH - 60 HOURS

- A. Overview
- B. Compound Interest
- C. Lease Analysis
- D. Income Analysis
- E. Vacancy and Collection Loss
- F. Estimating Operating Expenses and Reserves
- G. Reconstructed Income and Expense Statement
- H. Stabilized Net Operating Income Estimate
- I. Direct Capitalization
- J. Discounted Cash Flow
- K. Yield Capitalization
- L. Partial Interests
- M. Case Studies

GENERAL APPRAISER REPORT WRITING AND CASE STUDIES - 30 HOURS

- A. Writing and Reasoning Skills
- B. Common Writing Problems
- C. Report Options and USPAP Compliance
- D. Case Studies

KREAB Real Property Appraiser Education Criteria  
Effective January 1, 2008